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ABSTRACT

This six-chapter report presents the outcomes of a study conducted to consider future changes in the governance of Minnesota's Area Vocational-Technical Institutes (AVTI). Chapters I and II delineate the objectives of the study and outline nine proposed goals for postsecondary education in Minnesota. Chapter III then summarizes planning assumptions concerning anticipated trends in demography, educational demand, funding availability, and interinstitutional competition. Next, Chapter IV profiles the AVTI's in terms of enrollment trends and projections, mission within the state's system of higher education, curricular emphases, governance structure, service population, and state funding structures. Chapter IV also examines planning implications, stressing the need to stabilize enrollment and fiscal bases, eliminate the dual accountability of the AVTI's to both local school boards and the State Board of Education, and increase statewide coordination. Chapter V outlines alternatives for the future governance and role of the AVTI's and classifies these alternatives according to their anticipated contribution to the overall goals outlined in Chapter II. Finally, Chapter VI discusses the characteristics and probable positive and negative outcomes of two of the eleven alternatives; i.e., the creation of a separate governing board for the AVTI's and the merger of the AVTI's with other postsecondary institutions under a single board. (JP)

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FINAL REPORT ON

MINNESOTA

AREA VOCATIONAL-TECHNICAL INSTITUTES

A Policy Paper

Prepared by the Staff

of the

MINNESOTA HIGHER EDUCATION
COORDINATING BOARD

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January 7, 1981

Clyde R. Ingle
Executive Director

JC 810221

COORDINATING BOARD ACTION

SUBJECT: FINAL REPORT ON MINNESOTA AREA VOCATIONAL-TECHNICAL INSTITUTES

DATE: JANUARY 27, 1981

ACTION: The Coordinating Board approved the Final Report on Minnesota Area Vocational-Technical Institutes and the Interim Report on the Minnesota System of Area Vocational-Technical Institutes and Recommended that they be transmitted to the 1981 Minnesota Legislature.

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I. INTRODUCTION

The 1980 Minnesota Legislature directed the Higher Education Coordinating Board to conduct a study of the area vocational-technical institutes.[1] The charge to the Coordinating Board was as follows:

> In view of future enrollment trends, the Higher Education Coordinating Board, in cooperation with the State Board for Vocational Education, shall conduct a study of the area vocational-technical institutes and make recommendations in regard to:
>
> (1) The mission of the AVTIs and their relation to other systems and institutions.
>
> (2) The instructional programs and community services offered by area vocational-technical institutes.
>
> (3) The governance and structure of the area vocational-technical institutes.
>
> (4) The financing policies and procedures of the area vocational-technical institutes.

[1] Minn. Laws 1980, Chapter 614, Section 25(b)

(5) Other appropriate issues as necessary.

The study and recommendations are to be made to the 198' Minnesota Legislature.

The Coordinating Board received an interim report on the system of AVTIs in November 1980.[2] The report describes the background and present circumstances of post-secondary vocational education in Minnesota. The report also outlines the role of the AVTIs in Minnesota's system of post-secondary education and projected problems. Finally, the study identifies a range of alternatives for the AVTIs as they and the state face the next two decades. Many constituencies have reviewed and commented on the interim report. These groups include the State Board for Vocational Education, the Department of Education, the AVTI Directors Association and the Minnesota Association of Vocational Education. The Coordinating Board has had the interim report under continuous review since its release.

This final report includes pertinent findings and observations which have emerged from wide review and discussion of the interim report. In addition, the final report assesses the alternatives which were identified in the interim report and in subsequent discussions. The alternatives are assessed and grouped on the basis of how well they contribute to achieving a set of proposed goals for Minnesota post-secondary education.

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[2] Minnesota Higher Education Coordinating Board, Interim Report on Minnesota System of Area Vocational-Technical Institutes (November 1980).

II. GOALS FOR MINNESOTA POST-SECONDARY EDUCATION

A review of the present and future mission of the AVTI System requires some consideration of Minnesota's goals for public involvement in post-secondary education. A set of proposed goals for Minnesota post-secondary education is under review by the Coordinating Board.[1] The proposed goals are based on current state policies, historical legislative and executive support for post-secondary education, and prior Board recommendations. The goals were developed with the conviction that the state should periodically review its goals for the future, assess where it is in relation to those goals and reconsider where it wants to be in the future. That purpose is consistent with the current study of the area vocational-technical institutes which is concerned primarily about how to govern and organize post-secondary education to cope

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[1] In February 1980 the Coordinating Board adopted a proposed statement of goals. See Goals for Minnesota Post-Secondary Education: A Policy Paper (February 1980).

with changing conditions.

The proposed goals for Minnesota post-secondary education include the following:

1. Minnesota should strive to provide access to post-secondary education for all of its citizens. Minnesota citizens should be able to enroll in some form of post-secondary education that is appropriate to their needs.

2. Minnesota should strive to provide a variety of real choices to the residents of the state among post-secondary education institutions. Residents should have a reasonable choice among the institutions which have accepted them for admission.

3. Minnesota should provide a diverse educational system in which systems and institutions possess different and educationally distinctive programs and settings. Systems and institutions should provide a set of instructional programs that are consistent with their mission and located in different settings in order to meet the broad range of needs for learning.

4. Systems and institutions should seek to achieve the highest possible quality in all of their programs. The achievement of excellence should be all encompassing and not limited to graduate, professional or selective undergraduate programs.

5. Systems and institutions should use their resources efficiently and effectively. Because resources are limited and demands exceed the capacity to serve, systems and institutions must maximize the productive use of their fiscal and human resources.

6. Systems and institutions should ensure adequate public understanding of their missions, services and accomplishments through regular reporting of their activities. Governing boards are responsible for managing their resources so that system and institutional missions are accomplished. Public reporting and the development of information must occur regularly and with as much uniformity as possible in order to facilitate the evaluation of post-secondary education.

7. Minnesota should provide post-secondary opportunities to meet personal and community needs. Post-secondary education must be responsive both to the training and educational needs of individuals and to the manpower needs of the community.

8. Minnesota should support the development of new knowledge through public investment for research in post-secondary education.

9. Minnesota should ensure adequate funding of post-secondary education. If post-secondary education is to effectively meet its responsibilities the state must provide sufficient resources.

The report on the AVTIs has been prepared with these goals in mind. If resources were unlimited, each of these goals could be achieved. Limitations on available resources, however, require that choices be made among goals. The

achievement of one may have to come at the expense of another. Likewise, the future alternatives for the AVTI system which have been identified in the interim report do not contribute equally to the achievement of each of these goals. Each alternative will be analyzed on the basis of how it would contribute to achieving each of these goals.

III. ASSUMPTIONS

Minnesota has been committed to providing readily accessible, high quality education for its residents. During an era of rapid enrollment growth, the state financed an extensive array of post-secondary educational facilities and other resources necessary for education. During the next 20 years, however, the conditions for post-secondary education are almost certain to be different from the past 20. In order to look toward those conditions and to make recommendations, it is necessary to state the assumptions about the future.

Demographic Trends. Birth rates have reduced the number of college-age youth and will have substantial, if not drastic, effects on higher education institutions. Although increasing proportions of women and minorities are participating in higher education, total enrollments are expected to level off in the next few years and then decline rapidly. In Minnesota, the Coordinating Board projects that enrollments will reach a low point in the mid-1990s that is

26 to 28 percent below current levels.

Programmatic Trends. Enrollment and interest in occupationally oriented programs have increased steadily. It is assumed that this trend will continue as more students become vocationally and career oriented. Much of the enrollment increase of the past decade was due to increased enrollments in the state's AVTIs and community colleges. National data confirm this phenomenon and suggest it is likely to continue. Part-time and older students whose attendance is increasing are also interested in programs that address specific vocational preparedness. However, it is assumed that part-time and returning students will not make up for the enrollment loss in the 18-24 year-old age group.

In addition to programs provided by the traditional post-secondary institutions, programs offered by social, religious, civic, and profit and non-profit organizations in business, industry and government are multiplying rapidly. These programs will provide additional competition for those offered by post-secondary institutions. It is assumed that these trends will continue, and they need to be considered while planning for the future of existing post-secondary education.

Societal Trends. Social and economic trends not related directly to education will affect the future of post-secondary education. As the population ages the demand for public services will change, too, and parallel demands for increased government efficiency; this will affect the ability of education to compete for public resources. Therefore, it is assumed that the resources devoted to post-secondary education will be leveling or decreasing. Competition for funds among various governmental units will continue to escalate, thereby decreasing the proportion of total state funds available for post-secondary education. These factors combined with continued inflation, increasingly will constrain the maintenance and development of post-secondary institutions.

Competitive Trends. The decline in students as well as fiscal resources will mean more competition among institutions. This competition, if not reasonably restrained, could damage institutional quality. Quality could be diminished if institutions, attempting to survive by attracting more students, expand resources and programs too far. The likelihood for inter-institutional cooperation, while more important than ever, will diminish as institutions seek to survive.

In conclusion, the combined impact of changing demographic and economic realities will converge to endanger both the quality and accessibility of post-secondary education. Adequate planning must occur in order to develop the appropriate structure and methods to assure quality post-secondary education.

IV. FINDINGS AND IMPLICATIONS

A. FINDINGS

1. Enrollment Trends and Projections

The growth in attendance at AVTIs accounted for most of the increase in enrollments at the state's public post-secondary institutions in the 1970s. Enrollments in AVTIs increased dramatically in absolute terms and as a proportion of total public enrollments. In Fiscal Year 1980 average daily membership (ADM) in the AVTIs was 31,712, or 15,456 higher than in 1972. This represents an increase of almost 100 percent in nine years. During the period, AVTI enrollments increased from 14 percent to almost 24 percent of all public enrollments.

Considerable variation exists in the size of individual AVTIs and between those located in the metropolitan area and those located outstate. In 1978-79, for example, one third of the state's 33 AVTIs enrolled less than 500 ADM. The average size of the 6 AVTIs in the metropolitan area was 2,096. In comparison, the average enrollment of the 27 outstate AVTIs was 682 ADM.

The composition of the AVTI enrollment, like that of other systems, has changed. The AVTIs are serving a higher percentage of older students than in previous years. They also are enrolling more students that have had previous post-secondary education, and more AVTI program completors are seeking additional post-secondary experience after leaving the AVTI.

A period of enrollment decline is projected to follow these years of facility expansion and enrollment growth. Although AVTI enrollments are the most difficult to project because of their sensitivity to economic and labor markets, enrollments in these institutions are projected to decline by about 20 percent by the mid-1990s. It is projected that in 10 years 16 AVTIs will enroll less than 500 ADM while seven of these are projected to enroll less than 300 ADM.

The AVTI declines are projected to occur unevenly among the state's regions. The magnitude of declining enrollments likely will reflect regional demographic and economic trends. Some outstate AVTIs in the north and central regions are projected to experience enrollment increases. On the other hand, some outstate institutions in the southwestern region are projected to experience declines exceeding 40 percent. By the mid-1990s about a dozen outstate AVTIs are projected to have an average daily membership of less than 400.

2. Importance of AVTIs' Mission to State's Economy and Education System

Minnesota's AVTIs have a distinct mission in the state's system of post-secondary education. The AVTIs play a major role in both the economy of the state and its education system. Post-secondary vocational education provides opportunities for residents to acquire job skills necessary for entry-level employment or advancement. Thus, the AVTIs' mission is tied closely to the

employment needs of the state.

The AVTI system differs from the public collegiate systems in several ways. First, the AVTIs, unlike collegiate institutions, do not require the completion of a high school education for admission. Second, occupational placement is the single goal of AVTI programs. Unlike other types of institutions, there is neither an explicit nor implicit mission to prepare students for transfer to more advanced educational programs or institutions. Third, neither legislative mandate nor the State Board's adopted mission implies that the AVTIs have a responsibility to offer, much less require, liberal education. Other public post-secondary education institutions view liberal education as an intrinsic part of their educational curriculum and usually require it for degree completion. Fourth, unlike the community colleges, state universities, and the University of Minnesota, AVTIs have no stated or historic mission to grant degrees.[1]

3. AVTI Programs

The major thrust of the AVTIs has been full-time post-secondary occupational preparation programs that do not require liberal arts and humanities. The AVTIs offer more than three fourths of the 1,257 non-baccalaureate occupational programs offered by Minnesota's public post-secondary institutions. These programs are provided in the seven areas of agriculture, business/distributive, health, home economics, office, technical, trade and industrial programs. Programs in the latter category are the most common type of program; almost 40 percent of all programs are in this group. Programs in AVTIs vary from 3 months to 27

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[1] Mission of Vocational-Technical Schools, Minutes of State of Minnesota Board of Education (Board for Vocational Education), December 14, 1970.

months, and the percentage of long-term programs varies by individual AVTI. The proportion of all non-baccalaureate occupational programs available through AVTIs varies by region, ranging from 45 percent of those in Region 1 to 95 percent of those in Region 7. The community colleges and the technical colleges offer most of the state's other occupational non-baccalaureate programs.

The number of new occupational programs has continued to grow. During Fiscal Years 1979 and 1980, for example, the Coordinating Board granted favorable review to 51 proposed new occupational programs in the four public systems. Of the 51 programs, 25 were added by the AVTIs. Since 1970 Minnesota institutions have reported the discontinuation of 100 programs. Of the total, 9 involved an AVTI; one of these was discontinued the past two years.

In addition to offering post-secondary vocational programs, all AVTIs operate an organized program of adult vocational education. Generally, adult vocational education meets short-term needs for training, and specific offerings change frequently in response to community needs. The majority of adult vocational programs are short--averaging 45 hours--and a certificate of attendance usually is awarded upon completion. Adult vocational education has a high degree of flexibility, allowing it to respond quickly to the vocational needs of individuals and industry.

The AVTIs offer related instruction, including communication skills, mathematics, science and other subjects necessary for enhancing proficiency in an occupation. This is distinct from remedial or special needs instruction which is designed to improve a student's capability to undertake vocational training. Both types of instruction have been recognized as a limited component of an AVTI's curriculum.

4. Governance of AVTIs

The present system of governance for vocational education is the result of

the historical sharing of authority between the local school district and the State Board of Education (State Board for Vocational Education). The State Board sets standards for curriculum and staff, approves programs and courses of study, distributes and apportions to school districts all state and federal funds, and determines attendance and age requirements for AVTI students. The local school districts implement these policies by hiring staff, reviewing facilities plans, signing contracts, buying equipment and overseeing the day-to-day administration of educational programs.

Conditions have changed significantly since 1945 when legislation was enacted that permitted local school districts to establish area vocational-technical schools to serve high schools as well as out-of-school youth and adults and provided for their support through state aids. Area vocational schools originally were viewed as an extension of a local school district's elementary and secondary school operation. As the area vocational institutes developed, however, the emphasis shifted to the post-secondary level. Now, the AVTIs are the primary providers of post-secondary and adult vocational education in Minnesota. In recent years more students entered AVTIs than entered any other post-secondary system. The total budget of the AVTIs, both in total and on a per student basis, is greater than that of either the community colleges or state universities. Operating costs of the AVTI system are supported totally with funds from the state and federal government, tuition and the sale of goods and services produced by the AVTIs. Local school districts use their local levies to pay for debt service, but the state provides most of the funds for this item.

5. Service Areas of AVTIs

AVTIs have assumed educational responsibilities that extend beyond their local school districts. Some AVTIs have service areas that are comparable to service areas of state universities. Several institutions offer programs for

statewide labor markets. Many AVTIs attract substantial proportions of their students from outside their communities, their counties or their regions.

Individual AVTIs are important outlets for post-secondary enrollment to 78 of the state's 87 counties. Further, AVTIs serve as important outlets for post-secondary enrollments to larger geographic areas than the geographic areas which nearby community colleges serve.

An analysis of institutional markets shows that AVTIs statewide draw 47 percent of their enrollments from their home counties and 71 percent from their planning regions. Outstate AVTIs draw 38 percent from the counties and 63 percent from the regions, while Minneapolis-St. Paul AVTIs draw 65 percent from their counties and 86 percent from the region

6. Financing of AVTIs

Minnesota's system of AVTIs is the second most expensive among the state's four public systems. Only the University of Minnesota had higher operating expenditures among the public post-secondary systems in Fiscal Year 1979. Total operating expenditures and expenditures per full-year equivalent student were greater in the AVTIs than in either the community colleges or state universities. The higher cost in the AVTIs was due to two factors: (1) the larger investment in materials and equipment than that required in the two college systems and (2) a lower student-faculty staffing ratio than the collegiate institutions.

Minneapolis-St. Paul AVTIs and outstate AVTIs exhibit different spending behavior with the metropolitan institutes as a group spending more than those located outstate. In Fiscal Year 1979, for example, net operating expenditures per ADM were higher in the metropolitan area than they were outstate. Metropolitan AVTIs as a group spent $3,128 per ADM compared to $2,693 per ADM at

outstate AVTIs.[2] This difference resulted from the greater expenditures in the categories of support and related instruction.[3] Outstate AVTIs as a group had net support expenditures per ADM of $853, compared to $1,257 in the Twin Cities area. The higher expenditures for support costs counteract economies of size that might be expected in the operation of large institutions. A complete explanation of the differences in support expenditures per ADM in the Twin Cities area and outstate was not provided in the interim report. No attempt was made to isolate the various support activities for comparison.

Economies of size affect outstate AVTIs. Larger institutions tend to have smaller support expenditures per ADM. Of the five outstate AVTIs with more than 1,000 ADM, only one had net support expenditures exceeding $858. In contrast, each of five outstate AVTIs with fewer than 400 ADM had expenditures exceeding $858 ADM.

Related instruction expenditures among Twin Cities area AVTIs as a group also were higher than similar expenditures outstate. The main difference was that all Minneapolis-St. Paul area institutions recorded related instruction costs while nearly half the outstate institutions did not. Most AVTIs, however, do offer related instruction in some form.

Due to differences in the type and costs of programs, regular instructional expenditures were higher outstate than in the Minneapolis-St. Paul area.

A new funding structure for the AVTIs, authorized by the 1979 Legislature,

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[2] Total expenditures include all expenditures for instructional and support activities. "Net" expenditures are total expenditures minus certain offsetting revenues. These revenues include income from sales of goods and services produced in instructional programs and other sources.

[3] Related instruction is writing, mathematics and science and other subjects oriented toward specific vocational programs. Support includes a variety of items ranging from computer services to plant operations.

took effect in Fiscal Year 1981. Six categories of aids were created. The five operating aid categories are for instruction, supplies, support, capital acquisition and contingency. The funding structure was designed to enhance fund accountability, to create a structure for establishing priorities and to reduce the impact of fluctuating enrollments. Before, most state support was in the form of foundation aid which was distributed at a fixed amount per ADM without reference to program needs. The new structure reduces the emphasis on enrollments and increases the importance of program costs in determining the amount of state support.

Despite the new emphasis on program costs in the funding formula, enrollments remain an important factor in determining the level of support. If enrollments decline, support will decline. Fiscal constraints also may reduce available support.

B. IMPLICATIONS

A review of the study findings suggests significant implications for the future governance, financing, mission and program development of the area vocational-technical institutes. A major judgment emerging from this study is that the current governance of the AVTIs is not appropriate for coping effectively with current conditions and projected circumstances in a way that will ensure the continuation of high quality education services for the residents of Minnesota. Maintenance of the current governance arrangements, which served the state adequately during a growth period, would not be in the long-range public interest.

In responding to enrollment declines, institutions will search for ways to stabilize their enrollment and fiscal base. The consequences of decline might be felt most among AVTIs in sparsely populated areas outstate as the institutes attempt to provide programs that serve area needs. Additional care will be required to avoid wasteful or unwarranted competition for a dwindling

pool of students. Some inefficiencies in cost, particularly in administration and support, may result as institutions become smaller.

As post-secondary education enrollments decline and funds become more limited, preserving the AVTIs, distinct mission will be critical. On the other hand, an expansion of that mission, without consideration for the entire post-secondary enterprise and recognition of changed enrollment and fiscal conditions, will be harmful to all. The AVTIs, like the other post-secondary systems, may be tempted to go beyond their traditional mission in order to attract new students. However, such mission expansion could occur when the state and post-secondary education can least afford anything less than the most efficient use of its resources through carefully defined missions.

Nevertheless, it will be essential that individual AVTIs and the state system be able to react to changes in the economy and work force in order to provide high quality occupational preparation programs. As economic conditions change, modifications in existing programs and the development of new programs will be needed for emerging occupations and new technology. While new program development is to be expected in areas of increased employment opportunities, other programs will likely become obsolete or provide fewer job opportunities. These programs must be terminated in order to free resources to meet new needs. Flexibility within the system and among systems will be critical in meeting vocational education needs.

These problems suggest that program and resource planning will become increasingly important. As resources decline, institutions will need to review, coordinate and plan more carefully with surrounding institutions in order to prevent the unnecessary duplication of education services.

The State Department of Education develops an annual state plan for vocational-technical education. This annual program plan is required under the

provisions of the Vocational Education Act of 1963 (amended in 1976). The plan outlines vocational-technical programs for three educational levels--secondary, post-secondary and adult.

This plan, though called the Minnesota State Plan for Vocational Technical Education, only incorporates that part of technical education existing within the purview of the Minnesota Department of Education. Planning efforts do not take into consideration vocational and technical programs within other sectors of private and public post-secondary education in Minnesota. In particular, it is difficult to plan for vocational education in the state without reference to programs in the state's community colleges and the private vocational schools.

More comprehensive planning for vocational-technical programs in Minnesota will be needed. Current planning efforts are not able to take into consideration total statewide needs and the total state-wide resources being directed toward occupational education. Multi-system and multi-institutional planning are necessary in order to insure adequate provision of services and adequate use of resources devoted to vocational-technical education.

In consideration of new conditions in the 1980s and 1990s, continuation of the current AVTI governance structure will not be the most effective approach to meeting the needs of post-secondary and adult vocational education. Governance of Minnesota's system of AVTIs has not kept pace with the development of the system.

Given the current magnitude of K-12 and rapid development of vocational education, joint governance of two large systems of education is too burdensome for a single board. Dual responsibility now exists between the State Board for Vocational Education and the local and intermediate school districts that have AVTIs.

The dual responsibility of the State Board of Education for both elementary and secondary education and post-secondary vocational education has resulted in insufficient scrutiny of the area vocational-technical institutes. This lack of oversight and policy guidance is complicated by the dual accountability of AVTIs. Institute administrators are employed by and responsible to local school boards, while they are also accountable to the State Board of Education. Logically, the commitment of local officials is to local boards. As a result, loyalties are divided and confusion may occur when state-level decisions vary from local desires. Because of this confusion, it frequently appears that no one board or administrative official speaks for the AVTI system.

This lack of state oversight is particularly troublesome given the current statewide nature of the AVTI system. State appropriations entirely have supplanted direct financial support by local school districts for the operation of the AVTIs. The large service areas of the AVTIs indicate that many serve a statewide clientele. AVTIs have high proportions of new entering students from outside their home region. Students appear willing to travel in order to attend an AVTI. Governance and coordination of the AVTIs are important for a dispersed clientele, yet all but three AVTIs are governed by a single,local independent school district board.

The problem of insufficient policy guidance has been manifested in several ways, including funding. State funding is provided every two years by the legislature in its school aids bill, which also includes funds for K-12 education. Funding formulae provide the basis for allocations in the bill. This system-level formula funding process, for each instructional program, does not include institutional or program budget review by the legislature.

Institutional allocations are made by the Division of Vocational and Technical Education following approval by the State Board of Education. These

allocation decisions are based on negotiations with local AVTI directors and rationing formulas which take into account prior expenditure levels.

Both the appropriations and allocation process could be strengthened if the AVTI biennial budget was subjected to a deliberate and regular review process patterned on the one applied to the public collegiate systems. Under this process, the legislative appropriations decisions would focus on discrete institutional and program budget decisions rather than modifications of a system-level school aid formula. The budget would be based on a build-up of items rather than formula adjustments. It is unlikely that this needed budget modification could be implemented if the State Board of Education continues to be responsible for the two largest educational systems under direct state purview.

The problem of insufficient state-level policy guidance has been evident in other ways. A review of the average daily membership (ADM) in 800 programs during 1979-80, for example, revealed that more than 130 programs were operating with an ADM of less than 10, despite current policy guidelines that establish 10 as the minimal class size for which funding will be granted. This represents an inefficient use of limited public resources.

Implementation of new programs is often based on a "first come, first served" basis, rather than on an established set of criteria that includes population or employment conditions. New programs are not necessarily based on proximity to population centers or labor markets. Program development guidelines are not included in the state plan for vocational education. Some programs are located for the purpose of bolstering enrollments rather than for improving access or choice to residents. This practice apparently is endorsed by the State Board of Education.

The proposed offering of Associate Degrees by some AVTIs in another example of insufficient policy guidance from the State Board of Education. Local

districts have taken it upon themselves to offer the Associate Degree without prior agreement on minimum curricular standards or approval from the State Board of Education. Programs (e.g., Medical Laboratory Technician) have been started which are not in compliance with minimum standards prescribed by national accrediting bodies, thus jeopardizing students' future employment. The plan to offer the Associate Degree in the AVTIs has occurred without consultation with the other public systems in Minnesota and without regard to the mission-related implications of such a decision.

Finally, efforts to develop meaningful and widespread program cooperation between the AVTIs and the community colleges during the last 10 years have been sporadic. Most recently, opportunities to design or implement integrated programs between the community colleges and area vocational-technical institutes in Thief River Falls and Minneapolis have been stymied. These developments have been unfulfilled in spite of an offer by the State Board for Community Colleges to arrange joint or cooperative programs. Future conditions are likely to encourage institutions to act more independently rather than cooperatively. The likelihood of cooperative developments occurring in the future is even less promising if the two systems are maintained as separate entities.

As enrollments decline, the funding, governance, and management of the AVTIs will become increasingly complex. The traditional factors of institutional size, regional differences, special program needs, and rapid changes in labor market needs will continue to confront management, but the challenges will be compounded by greatly increased competition for limited funds and students. The authority responsible for governing the AVTIs will have to be sensitive and judicious in trying to make distinctions among competing needs and priorities. For example, it will have the challenge of attempting to

achieve a balance between encouraging new program development in areas of demonstrated need and denying requests for programs designed to bolster sagging enrollments. This example, by itself, is one of the most compelling arguments for the need for an effective statewide management and governing authority for the AVTIs.

If post-secondary education is to continue to meet the expectation of the public for responsiveness to needs and high quality programs, it will be necessary to develop meaningful cooperation between institutions serving the same community and region. Past relationships and current practices strongly suggest that with similar governance systems for similar education functions, effective articulation of services and programs cannot be achieved. The alternative to coordinated efforts is unnecessary and wasteful competition. As enrollments and resources decrease, there will be proportionally less money for post-secondary education. Expectations for service will not diminish, however. A solution to help resolve this problem will require some dramatic changes in present governance structures.

V. ANALYSIS OF ALTERNATIVES

A. INTRODUCTION

Several alternatives for the future of Minnesota's system of area vocational-technical institutes have been identified. Some involve little or no change in current arrangements. Others involve major reorganization of the public post-secondary systems.

The strength of any alternative rests largely on how it helps meet the state's proposed goals for post-secondary education. The goals outlined in Section II of this report serve as a basis for assessing the soundness and desirability of the various alternatives. Because research is a minor activity among the AVTIs, the impact of the alternatives on that goal is assumed to be inconsequential. The assessments below are based on the assumptions of projected enrollment declines, reduced resources available for post-secondary education, increased demand for career oriented programs, tendencies toward program duplication arising from expansion of institutional missions and threats to educational quality resulting from lack of statewide priorities.

The alternatives analyzed in this section have been grouped in three categories based on the extent to which they contribute to achieving the proposed goals for Minnesota post-secondary education.

B. ANALYSIS OF ALTERNATIVES

1. Alternatives Which Contribute the Least to Achieving Proposed Goals for Minnesota Post-Secondary Education

   a. Maintaining the Existing Structure

Maintenance of existing institutions, governance structures, and policies will likely have the least impact on state goals. While it would reserve the current degree of access and institutional choice, it would hinder the achievement of other goals. As enrollments decline, costs per student in small, free-standing institutions will rise. This is particularly true of support costs. The small area vocational-technical institutes now have support costs per student which are higher than the average of the system. This occurs because some activities or functions must exist, thereby incurring fixed costs regardless of the number of students enrolled.

Current funding practices, which are related to enrollments, could threaten the quality of instructional programs and support activities

as institutions become smaller. With declining enrollments, tuition revenue and allocated state appropriations may become too low for small institutions to offer a desirable depth and breadth of services to students. Small institutions, therefore, would have difficulty providing programs to meet changing educational and economic needs of their communities. This situation could pose particular difficulties for area vocational-technical institutes, which must respond directly to changing state and regional employment needs.

b. Clearer Delineation of the Role of Vocational Education in the Various Public Post-Secondary Systems

Clearer delineation of responsibility for providing vocational programs would result in greater coordination of such programs. This could enhance efficiency in the use of resources by preventing or eliminating unnecessary duplication of programs. Rather than engaging in competition that results in duplication, institutions and systems could use their resources to maintain the quality of existing programs and to establish new programs to meet student and community needs.

Delineation by itself would not address major problems caused by declining enrollments and limited resources. Some institutions will still become so small that, under current financing methods, the quality of their programs could be threatened by insufficient resources. Lack of resources would also limit the ability of those institutions to offer the variety of programs which students and the communities as a whole

may demand. Area vocational-technical institutes, in particular, may be caught in the difficult position of having to maintain responsibility to state as well as local authorities when setting priorities for programs.

c. Establishment of a State Board for Post-Secondary Vocational Education

Establishment of a state board for post-secondary vocational education likely would have mixed results. The new board would provide governance with clear lines of responsibility for providing public post-secondary vocational education. The board would assume direct control of the area vocational-technical institutes and, with the consent of the Board of Regents, the technical colleges of the University of Minnesota at Crookston and Waseca. With, perhaps, few exceptions, all vocational and occupational programs below the baccalaureate level at the community colleges, the state universities, and the University of Minnesota would be transferred to the new system.

This structure would produce at least two benefits. First, the state would be able to obtain a comprehensive accounting and reporting of state resources devoted to public post-secondary vocational instruction. This would result from having responsibility for vocational instruction rest in one system rather than four. Second, there would be efficient use of resources by avoiding unnecessary duplication of programs. This would be the result of greater clarity of mission among the public post-secondary systems.

A delineation of mission that is too rigid, however, could result in elimination of necessary duplication and shared missions. This, in turn, could lead to reduced access to programs and inefficient use of resources. Many institutional programs combine both vocational and general education.

Some subjects, such as accounting, can be classified as either vocational or academic. A complete separation of vocation and general education would create difficulties in offering programs. Complicated, and perhaps costly, arrangements would have to be made to transport students or to transport instructors and materials to pursue what should be a naturally integrated program. Conceivably, such programs might become available mostly in those communities served by the two types of institutions.

Separation of vocational and general education actually could reduce choice among institutions, diversity of programs, and ability of institutions to meet student and community needs. Several small community colleges, located in areas of the state not served by other post-secondary institutions, offer relatively large numbers of occupational programs. These community colleges, in effect, also serve as vocational-technical institutes. Were these community colleges forced to become single purpose institutions, collegiate or vocational, the local communities would lose the choice and diversity of programs that contribute to educational and economic vitality.

d. Merger of Community Colleges and Area Vocational-Technical Institutes with Decentralized Governance

A combined community college/AVTI/technical college system organized geographically under a number of governing boards with broad powers would be attractive in several respects. Because their authority would cover several institutions, the boards could make efficient use of resources in their geographic areas by eliminating unnecessary duplication of programs. Furthermore, the boards could locate programs according to local labor and economic needs, providing funds are available to support the programs.

This structure could allow greater choice, diversity and ability to meet changing needs. The boards would have flexibility to organize integrated vocational and general education programs or maintain single purpose institutions necessary in a region. Communities in the area could, in effect, have more multi-purpose and fewer single purpose institutions, as long as total spending did not increase. The institutions would be able to offer a wide variety of programs which incorporate both vocational and general education. The post-secondary system in the geographic area, thus, could be more responsive to the changing interests of students and changing requirements for the area's labor force.

Despite these attractive features, there could be some unattractive governance, financial and educational consequences. Having broad powers, the boards would orient their attention to their region rather than to the state as a whole. Lines of authority, responsibility and, perhaps, even accountability would be blurred between the geographic area and the state.

Presumably, the boards would allocate resources to achieve efficiency within their regions, but this would not assure efficient allocation statewide. Conceivably, unnecessary duplication in program offerings could arise between areas if each board sought to make its area educationally self-sufficient. In addition to possible duplication of instructional programs, there is the probability of duplicated administrative functions in each area. Broad governing authority would require that each board maintain large staffs to manage financial affairs and budgets, to administer support services, to supervise instruction, and to undertake policy studies.

Financial inequities, resulting in inadequate funding for instruc-

tional programs in some areas, could occur. The power to levy a property tax, assuming that tax revenue is to be a major source of operating revenues rather than a token contribution, would place less affluent areas at a disadvantage. With smaller tax bases, less affluent areas covered by one board would have difficulty raising tax revenues in proportional amounts to more affluent areas covered by another board. Low enrollments would compound the problem. Areas with small tax bases often have smaller populations and, thus, fewer post-secondary students than areas with larger tax bases. Fewer students mean less tuition revenue. If the state provided operating funds simply on the basis of enrollments, the less affluent, sparsely populated areas would suffer a triple disadvantage. Fewer students would mean less state aid.

Financial stringency in less affluent, sparsely populated areas could threaten the quality and variety of educational programs. Lack of resources could force some boards to reduce the depth and breadth of programs beyond desirable levels. A struggle to provide minimally acceptable levels of instruction would lead to difficulties in responding to changing educational needs.

2. Alternatives Which Contribute to Achieving Proposed Goals for Minnesota Post-Secondary Education

a. Closing Small Institutions

Closing small area vocational-technical institutes would yield some important benefits while reducing geographic access to post-secondary education. The state could have saved about $1.5 million in 1979 if it had ceased support of seven area vocational-technical institutes with current or projected average daily memberships of fewer than 300. This

takes into account the costs to the state of enrolling up to 75 percent of the affected students at other AVTIs based on 1979 foundation aid levels. This also assumes the continuation of debt service aid to school districts with closed institutions and the transfer of 10 percent of other aids from the closed AVTIs to other AVTIs. Under the present funding mechanism, savings could have exceeded $1.5 million because increased enrollments of up to 5 percent at other AVTIs would have been absorbed within existing budgets.

Closing would have its costs, however. It would reduce access to post-secondary education, though the number of persons actually denied the opportunity to attend an institution would be relatively small. If all seven AVTIs with an actual or projected enrollment of 300 ADM were closed, it is estimated that between 300 and 950 students would not enroll in post-secondary education.

By reducing the number of institutions serving a community or region, enrollments would increase at remaining campuses. Larger institutions, with a greater mass of resources, can be operated more efficiently and, by virtue of their size, can offer a greater array of programs with greater depth. It is also easier to respond to changing educational needs in a larger institution because there are more resources from which to reallocate for new programs.

Closing would reduce choice somewhat, too. There would be fewer institutions among which students may choose to attend. The loss of an AVTI may prevent students from obtaining the type of instruction offered at the institutions. Travel patterns suggest strongly, however, that students travel widely or relocate in order to enroll in a AVTI. It is assumed that unique programs located in a closed institution would

be transferred to another location. If so, it would be possible to locate these programs near large population centers.

Communities with institutions could suffer from the loss of an institution. Closing would mean the removal of a symbol of community vitality. More tangibly, it would remove a source of educated or trained personnel for local employers. Finally, the loss of the institution would mean a reduction in local commerce because faculty and students would no longer be spending their income there.

b. Merger of All Sub-Baccalaureate Institutions Under the State Board of Education

Merger under the State Board of Education would have several attractions. Collegiate and vocational institutions located in the same or nearby school districts would likely receive encouragement for cooperation. Greater efficiencies could result from sharing resources for both instructional programs and support services. Cooperation in developing instructional programs could increase educational diversity and provide communities with programs that satisfy personal and community needs. Small institutions particularly would benefit by arrangements that would preserve quality and access to post-secondary education.

The greatest problems could arise in governance. Responsibility for an extensive post-secondary system as well as for all primary and secondary education may be beyond the capacity of any state board. Both K-12 education and post-secondary education require full-time attention. A single board might not be able to give proper attention to both. The same problem on a smaller scale could exist if local school boards had to expand or, in some cases, acquire a governance role for post-secondary institutions. Decentralized governance, moreover, might impair cooperative arrangements and the sharing of resources by institutions that are located in different districts.

c. Support Small Institutions Based on Minimal Needs

Supporting small institutions based on minimal needs would assure that each area vocational-technical institute receives adequate funding for basic support activities. The quality of programs and services would not suffer because of declining enrollments resulting in less tuition revenue and lower allocations of state funds. Support of small institutions would also guarantee the existing degree of access to and choice of post-secondary institutions.

While support based on minimal needs would assure adequate resources and quality, it would result in higher costs per student. Funding would remain constant as enrollments declined. Differences in costs per student between large and small institutions would become more pronounced. Moreover, assuming finite resources for post-secondary education, smaller institutions would divert resources from the larger ones.

The minimal needs policy would implicitly minimize an institution's program diversity and flexibility to meet changing personal and community needs. Providing support for minimal needs would require a definition of what constitutes a minimal program. As long as enrollments are low and funds are scarce, institutions would have difficulty using resources to expand their offerings.

d. Merger of Nearby Area Vocational-Technical Institutes

The magnitude of the benefits from mergers would depend on the nature and extent of the merger. Mergers which include instructional activities would have a greater impact than mergers which apply only to support activities. Actions involving area vocational-technical institutes would probably be limited to support activities.

Merger of institutions would result in more efficient use of resources through the combining of services. This would be especially

beneficial to small institutions. Efficiencies in operation would help assure adequate funding to maintain quality of instruction, to provide diversity of programs, and to meet changing student and community needs. The pooling of instructional resources especially would allow greater flexibility in instructional offerings. The existing degree of access and choice of post-secondary institutions would be unchanged because no campus would be closed or institutional mission altered. Groupings could include the following: Canby, Granite Falls and Pipestone; Pine City and Anoka; Hibbing and Eveleth; and Wadena, Staples and Brainerd.

e. Joint Administration of Cooperative Programs Between Area Vocational-Technical Institutes and Community Colleges

Establishment of formal links between area vocational-technical institutes and community colleges located in the same community would further many goals for post-secondary education. An arrangement can take the form of either merger of the two institutions into one administrative unit or cooperation between the two institutions in offering instructional programs and providing support services. Any such action would only affect the institutions directly involved without changing governance structures in either the system of area vocational-technical institutes or community colleges.

Merger or cooperation likely would increase efficiency in the use of resources, diversity and ability to meet needs. Greater efficiencies would likely occur with complete administrative merger. Combining of services and activities would reduce some duplication of function by separate staffs undertaking similar duties. Resources conserved in this manner would be available to maintain program quality. This would be particularly helpful at institutions with low enrollments. Creating joint occupational and general education programs would increase the variety and combination of programs which the institution could offer.

This greater flexibility would enable the institution to meet the changing needs of individual students and of the entire community.

The joining of local institutions or resources would have little or no effect in other ways. The current degree of access would remain unchanged. Although some institutions could, in effect, be absorbed through such arrangements, no community or geographic area served by the institution would be left without any institution. Choice among types of institutions might be diminished superficially. However, the educational function of both institutions presumably would be assured under one administration. Choice would, in effect, remain undiminished. No changes would occur in systemwide lines of authority and responsibility because there would be no structured changes in either system.

3. Alternatives which Contribute the Most to Achieving Proposed Goals for Minnesota Post-Secondary Education

a. Establishment of a Separate State Board for Area Vocational-Technical Institutes

Establishment of a separate state board for area vocational-technical institutes would have its greatest impact on lines of responsibility and distribution of resources. Lines of authority and responsibility would run from the state board directly to the individual institutions. The role of local school boards would end. Power to set administrative and instructional policies would rest exclusively with the state board. The board would hire chief administrative officers at each AVTI and would establish statewide personnel policies. The state board would also be the exclusive advocate of the AVTIs.

Undivided governance authority would add to the board's ability to establish and pursue statewide priorities for vocational education. The process of allocating resources for instructional programs and support

activities would reflect, to a greater degree than at present, statewide goals and policies. Meeting local educational and labor force needs would still be important, but decisions for establishing, continuing, or terminating programs would have to be placed in the broader context of state needs, fiscal constraints and student demand. From the state's view, this would lead to more efficient use of resources. Greater efficiency also could result from more uniform administrative procedures within the system. Procedures for cooperation between AVTIs and community colleges and technical colleges, for example, could be arranged at the state level by the two boards rather than in a haphazard manner by local institutions with no regular forum.

Placing the area vocational-technical institutes under their own state board would not affect access or choice. All institutions would remain open with their current missions intact. The extent to which program diversity and ability to satisfy personal and community needs could be met would depend on the flexibility of the board in establishing cooperative programs with other post-secondary systems.

b. Merger of Community Colleges, AVTIs and University of Minnesota Technical Colleges under a Single State Board

Merger of all community colleges, area vocational-technical institutes, and University of Minnesota technical colleges would further most goals for post-secondary education. A single board would be able to coordinate programs and reduce or prevent unnecessary duplication of services throughout the state. It also would be able to merge nearby institutions, resulting in more efficient use of resources for support activities and instructional programs. At small institutions especially, resources conserved in this manner could be used for maintaining or enhancing the

quality of programs. However, high costs per student would still occur at small, isolated institutions. Nonetheless, overall efficiencies and conservation of resources would help assure adequate financing for post-secondary education. Creation of one system would simplify the task of monitoring the total amount of resources which the state is devoting to sub-baccalaureate instruction. It would clarify lines of authority and responsibility as well.

The new system would offer greater diversity of programs and provide greater flexibility in meeting needs. The combined resources of nearby but heretofore distinct institutions could be used to create a wider variety of occupational and general education programs. Students would have greater latitude in shaping their programs of study to suit both their occupational and their general education interests. The same flexibility would be of use to the larger community in meeting changing educational and economic needs. Access and choice would be virtually unaffected. Single purpose institutions would not change their character unless merger with a nearby institution occurred.

VI. CONCLUSIONS

A. INTRODUCTION

This report has summarized and commented on the findings contained in the Interim Report on the System of Area Vocational-Technical Institutes. It has discussed assumptions about society, the economy and future role of post-secondary education. Alternatives for the future identified in the interim report and suggested in subsequent discussions have been assessed in the context of their impact upon proposed goals for Minnesota post-secondary education. For this assessment, the alternatives have been divided into three categories: (1) those which contribute the least to achieving proposed goals for Minnesota post-secondary education, (2) those which contribute to meeting the goals for Minnesota post-secondary education and (3) those which contribute the most to meeting the goals for Minnesota post-secondary education. In this conclusion the two alternatives included in the third category will be discussed further.

B. ALTERNATIVES WHICH CONTRIBUTE THE MOST TO ACHIEVING PROPOSED GOALS FOR MINNESOTA POST-SECONDARY EDUCATION -- SEPARATE STATE GOVERNING BOARD FOR AVTIS

An assessment of alternatives for the future of the AVTIs has identified two alternatives which are most likely to contribute to the achievement of the proposed goals. These two are the creation of a separate governing board for the AVTIs and the creation of a new governing board for all sub-baccalaureate education which would govern community colleges, AVTIs, and University of Minnesota technical colleges.

1. Characteristics of the Alternative

The alternative to establish a separate governing board for AVTIs would have the following characteristics;

a. A new state governing board for area vocational-technical institutes would be created with the responsibility for governance of AVTIs removed from the responsibilities of the State Board of Education.

b. Authority over AVTIs would be transferred from the local school boards to the state board.

c. A central staff for the new system would be hired or transferred from existing staff in the Division of Vocational-Technical Education.

2. Positive Outcomes of the Alternative

The establishment of a new State Board for AVTIs would have both positive outcomes and negative outcomes. Positive outcomes would include the following:

a. Increase Responsiveness to Educational Needs

A new board for AVTIs could more effectively focus efforts to meet educational needs than is possible under the current structure. The new board would have the ability to devote its full attention to the concerns of the AVTIs.

b. Increase Attention to Program Evaluation and Development

A governing board devoting its full attention to the needs of the AVTIs would be able to devote increased attention to program evaluation and development. Development and evaluation of occupational programs are essential given the need to respond to industrial and technological changes.

c. Increase Accountability for Use of Public Resources

A separate board specifically responsible for the AVTIs would focus greater attention on the use of funds appropriated to the AVTIs. The allocation of resources would be expected to reflect stated policies and priorities.

d. Insure that Priorities Be Set Consistent With Long-Range Needs

One of the most compelling arguments for a separate board for the AVTIs is that it would more likely insure that priorities of a long-range and comprehensive nature would be established. The present governance of post-secondary vocational-technical education generally and the AVTIs in particular appears to be operating without such priorities. The absence of a clearly established system orientation contributes to this.

e. Enhance the Planning, Policy Formulation and Evaluation for the System

A separate board for the AVTIs would be able to devote more of its energies to these functions than does the present system of governance, which is responsible for K-12 as well as post-secondary education.

3. Negatives Outcomes of the Alternative

a. Reduce Flexibility

Specific policies to increase flexibility of programs or resource use could be developed by the board, and incentives might be proposed to promote this objective. However, direct increase of flexibility is not likely. It is possible that the creation of a new structure could even decrease flexibility among institutions and systems.

b. Increase Structural Obstacles to Cooperation

The creation of a board for AVTIs would not of itself remove structural obstacles to cooperation. In fact, a new board with more distinct identity might even increase such obstacles. Although the new board could develop policies and incentives to promote cooperation, the tendency might be to create more resistance to cooperation.

c. Increase Incentives for Wasteful Competition Between Institutions and Systems

A separate board for the AVTIs would not likely contribute to the achievement of the objective. In fact, the creation of a new system with specific identity and purpose might in fact increase incentives for competition.

C. ALTERNATIVES WHICH CONTRIBUTE THE MOST TO ACHIEVING PROPOSED GOALS FOR MINNESOTA POST-SECONDARY EDUCATION -- MERGER OF COMMUNITY COLLEGES, AVTIS, AND UNIVERSITY MINNESOTA TECHNICAL COLLEGES UNDER SINGLE STATE BOARD

The alternative likely to contribute the most to the achievement of state post-secondary education goals is a merger of the 18 community colleges, 33 AVTIs and 2 University of Minnesota technical colleges under a new governing board.

1. Characteristics of Alternative

The essential characteristics of such a merger would be:

a. A new state level governing board for sub-baccalaureate education would be created and the current State Board for Community Colleges phased out. Responsibility for governing the AVTIs would be shifted from the State Board for Vocational Education and local school boards to the new board. Responsibility for governing the technical colleges at Crookston and Waseca would be assigned to the new board.

b. Most institutions would maintain their current character. Institutions providing only vocational-technical programs would continue this single role. Likewise, institutions primarily offering transfer programs or offering a combination of transfer and vocational programs would retain that role. However, two or more institutions serving the same or nearby communities could be merged into a single comprehensive institution.

c. In order to maintain the distinctive roles of vocational-technical education, separate budgeting for the two functions would be maintained. Likewise, separate personnel systems and collective bargaining agreements would be maintained.

d. Central staff of the Community College and ATVI systems would be merged; this central staff would also be responsible for the two technical colleges.

Another element of the new structure which may be advisable would be some form of area administration under a state board. Throughout the study of the Community College System, the importance of regional influences upon access to post-secondary education, patterns of service and the behavior of institutions consistently has shaped discussions of future alternatives. The alternative of a system of regional governance was proposed and analyzed. This option has been discussed in this report but was considered to have unattractive governance, financial, and educational implications.

However, the number of institutions and the variety of needs throughout the state suggest that some form of area administrative structure within the context of state-level governance merits further attention. Such a structure

would reduce the state board's burden of directly administering the large number of institutions under its control. By decentralizing some administrative decision making, the state board would be able to devote more of its energies to planning, policy formulation and evaluation. An area administrative structure would have other benefits. It would encourage cooperation and coordination within the various geographic areas. It could also provide a mechanism for integrating state-level funding and governance with local needs for services and programs. To some degree, resources for area administration could be drawn from existing resources at local campuses.

2. Benefits of Alternatives

a. Increased Flexibility

The objective of increasing flexibility in offering courses and programs and in allocating resources among institutions within geographical regions is highly desirable. Decreases in the number of students are projected to result in eight institutions having full-time enrollments below 500 by 1990. With limited fiscal resources, flexibility may be the only way to maintain the present array or programs in an institution or a region of the state. It is possible that services and programs at the regional level could even be expanded through a sharing of resources and faculties among institutions. The pooling of resources of the 53 institutions would allow gradual sharing of faculty between institutions in regions and communities.

Finally, students would have a broader array of course offerings automatically available. Pressures will likely increase for broader offerings in both vocational institutions and institutions traditionally limited to college transfer work. Flexibility would allow expansion of opportunity without increase in faculty or the overextension of existing faculty leading to erosion of instructional quality.

b. Removal of Structural Obstacles to Cooperation

As enrollments decline, the need for cooperation between institutions will increase. Of the more that 1,200 non-baccalaureate vocational programs available through Minnesota post-secondary institutions. State Department of Education documents indicate that approximately 20 programs involve a cooperative arrangement between an individual AVTI and community college. The cooperation exemplified by these 20 programs will be even more important during a period of contraction. Such cooperation, however, may be less likely to occur because the natural instinct of institutions and systems in a period of greater competition will be to achieve more, not less, independence. Therefore, the creation of a new system would remove structural obstacles to cooperation. A single governing board and staff, moreover, would have fewer incentives to devote resources to maintain separate institutions and administrations at nearby institutions.

c. Increase Responsiveness to Educational Needs

The traditionaly sharp distinction of role for the AVTIs may restrain effective service to students over the next two decades. As in the current case of allied health programs, there is likely to be increased pressure for broadening program offerings. As a general trend, this pressure should be resisted in vocation programs. However, there are likely to be areas where, because of increased technological sophistication, such expansion of educational offerings is necessary. Control of both vocational and general education under a single governing board can result in expansion without fundamental alteration of mission of a system and without wasteful duplication of programs and course offerings.

d. Increase Attention to Program Evaluation and Development

Program development and evaluation are essential if programs in post-secondary education institutions are to keep pace with a dynamic society. This is particularly important for programs that are occupationally or vocationally oriented because industrial and technological changes demand frequent re-evaluation of program curriculum. Inevitably, both development and evaluation require additional fiscal and human resources. When those resources are coordinated across institutions and systems, there are more available resources upon which to draw for program development.

e. Increase Accountability for Use of Public Resources

Comprehensive governance of sub-baccalaureate education will reduce competition between systems and improve lines of accountability for use of public resources.

f. Insure that Priorities Be Set Consistent with Long-Range Needs

In 1980, roughly 27% of the community college enrollment was in vocational programs. Twelve percent of the state's non-baccalaureate vocational programs are offered by the Community College System, and the University of Minnesota technical colleges offer 80 programs of this type. There is, therefore, considerable overlap of missions between the community colleges, the AVTIs, and the technical colleges. This overlap is likely to increase, especially if AVTIs tend further to expand offerings into areas requiring general education courses. In a period of limited resources, the need to establish clear priorities will be best met if the responsibility of doing so is in the hands of a single, policy-oriented governing board. Currently, the responsibility for establishing priorities for vocational education is dispersed among 33

local boards, the State Board for Vocational Education, the State Board for Community Colleges, the State University Board and the University of Minnesota Board of Regents. The proposed new board would be assigned the specific responsibiltiy of establishing priorities for all non-baccalaureate post-secondary vocational education in the state.

g. Enhance the Planning, Policy Formulation and Evaluation for the System

The placing of responsibility for sub-baccalaureate education under a single policy-oriented board would enhance the role of planning, policy formulation, and evaluation for the system in cooperation with the other systems and Coordinating Board.

h. Remove Incentives for Wasteful Competition Between Institutions

The projected enrollment decline and greater attention to recruiting students is likely to increase competetive activities among institutions and systems just at the time the state can least afford it. An effective way to counter this tendency is to remove a cause of it, i.e., the existence of separate systems.

3. Arguments Against the Alternative

Any change is likely to have outcomes which make it appear unattractive. Some of the arguments against the alternative for merger with the AVTIs and technical colleges and the creation of a new system for sub-baccalaureate education are as follows:

a. The Present Arrangement is Functioning Adequately

The fundamental reason for supporting the creation of a new system composed of the Community College System, the University of Minnesota technical colleges, and the AVTIs is that the anticipated decrease in students and resources threatens the present status and quality of both systems. The only alternative is for the state substantially to increase

funding for these three sectors. It is questionable whether such funding is likely; without it, the quality of programs and institutions will be undermined. Increased cooperation and flexibility in the use of resources offer a reasonable chance of coping with the problem. The current structure, however, has inhibited joint development of programs and regional service in those areas served by the AVTIs, technical colleges and community colleges.

b. The Merger Will Take Away Local Control of AVTIs

Local control is circumscribed at present by virtually total state funding and by requirements for central review and approval of program offerings. Under the proposal described here, local and regional interests would still be served. Given future conditions, regional and statewide perspectives and priorities must on occasion take precedence over local control.

c. The traditional Mission of Providing Employment-directed, Vocational Education Would be Eroded if the AVTIs Are Placed Under a Governing Board also Responsible for the Community Colleges and Technical Colleges.

The protection of the distinct mission of the AVTIs is of great importance for Minnesota's system of post-secondary education. The distinct mission would be protected in three ways under the new board. First, separate budgets and appropriations for the vocational sector and the academic sector of the new system would be retained. Second, each institution within the system would prepare and be held strictly to a role statement. Third, the legislature would, by statute, require the governing board and the Coordinating Board to evaluate how well the two

missions of the system are being performed.

In summary, the pressures of program expansion and increasing competition for students already are providing incentives for the AVTIs and community colleges to expand their missions -- the community colleges into vocational programs and the AVTIs into programs requiring general education offerings. This pressure is likely to increase during a period of enrollment decline. Maintenance of the distinctive role of the technical institutes is more likely under a single governing board than under the present governing arrangements.

d. Separate Personnel Systems, Salary Schedules, Work Loads and Collective Bargaining Agreements Make a Governance Merger of the AVTIs, Technical Colleges and the Community Colleges Extremely Difficult.

These conditions exist under the present structure and would continue under the new board.

Separate contracts for vocational instructors exist within the Community College System. Under this alternative, a separate personnel system and collective bargaining agreement would assist in maintaining the vocational-technical mission distinct from the academic mission.

e. The State Would Have to Assume the Debt of the Local School Districts for AVTI Facilities.

Under current funding arrangements, state funds pay 85% of capital construction costs. Local districts would not wish to be obligated for facilities over which they have no control. An arrangement similar to that developed when the state assumed control of the junior colleges would need to be worked out.

f. There Would Be Additional Bureaucracy and Cost

Establishment of area governing boards would entail additional personnel related costs that the state would have to assume. Another level of bureaucracy would be created though some resources could be drawn from local institutions.

g. The Board of Regents of the University of Minnesota would have to Agree to Relinquish Control of Two of Their Coordinate campuses.

Because of their legal status, the technical colleges at Crookston and Waseca could not be placed under the governance of the new board without approval by the Board of Regents.

The arguments which could be raised opposing the creation of a new system of sub-baccalaureate education have some merit. Most either are short range in implication or focus on the difficulty inherent in any change in organization. They are outweighed by the longer range advantages of creating a new system from the Community College System, the AVTIs, and the University of Minnesota technical colleges.